

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7575

BILL NUMBER: HB 1995

DATE PREPARED: Feb 2, 2001

BILL AMENDED:

SUBJECT: Cosmetologists.

FISCAL ANALYST: Chris Baker

PHONE NUMBER: 232-9851

FUNDS AFFECTED: X

X

GENERAL

DEDICATED

FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that a person who knowingly or intentionally practices cosmetology without a license commits a Class B misdemeanor. It enhances the offense to a Class A misdemeanor if the person has one prior unrelated conviction for practicing cosmetology without a license and enhances the offense to a Class D felony if the person has at least two prior unrelated convictions for practicing cosmetology without a license. This bill also provides that, in addition to the established term of imprisonment for the particular class of offense, the following fines must be assessed against a person convicted of practicing cosmetology without a license: (1) For a Class B misdemeanor, a fine of at least \$250 and not more than \$1,000. (2) For a Class A misdemeanor, a fine of at least \$500 and not more than \$5,000. (3) For a Class D felony, a fine of at least \$1,000 and not more than \$10,000. The bill also requires the Indiana Professional Licensing Agency to employ a sufficient number of inspectors, investigators, and clerks to enforce the cosmetology licensing provisions.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Professional Licensing Agency has indicated that it has sufficient staff currently available to enforce cosmetology licensing. No new expenditures are expected to be necessary due to the enforcement provision of the bill.

A Class D felony is punishable by a prison term ranging from six months to three years or reduction to a Class A misdemeanor depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$20,700 in FY 1999. Individual facility expenditures ranged from \$14,936 to \$37,807. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: There is a tiered penalty provision in the bill for a person who knowingly

or intentionally practices cosmetology without a license as described above. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the State General Fund would increase. The maximum fine for a Class D felony is \$10,000. The maximum fine for a Class A misdemeanor is \$5,000. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

The violations under this bill require the monetary penalty for a Class B misdemeanor to be at least \$250 and not more than \$1,000. The monetary penalty for a Class A misdemeanor must be at least \$500 and not more than \$5,000. The monetary penalty for a Class D felony must be at least \$1,000 and not more than \$10,000.

Explanation of Local Expenditures: A Class A misdemeanor is punishable by up to one year in jail.

If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Professional Licensing Agency; Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Indiana Professional Licensing Agency, Indiana Sheriffs Association; Department of Correction.